

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

770 L STREET, SUITE 1000  
SACRAMENTO, CA 95814  
(916) 324-2726  
(916) 324-5597 FAX  
<http://www.cmac.ca.gov>



«HFPALICNO»

July 25, 2011

TRANSMITTED ELECTRONICALLY

«Name»  
«Title»  
«Hospital»  
«Address»  
«City\_State\_Zip»

**Re: 2011-12 Private Hospital Supplemental Fund Negotiations**

Dear «Salutation»:

Effective July 1, 2005, the Medi-Cal Hospital/Uninsured Care Demonstration Project Act modified the Medi-Cal reimbursement methods for California's hospitals. For private hospitals, the Act continued the Selective Provider Contracting Program (SPCP) and revised the supplemental funding processes for private SPCP hospitals. Until July 1, 2005, the California Medical Assistance Commission (CMAC) negotiated with eligible facilities for supplemental payments from the following:

- Emergency Services and Supplemental Payment Fund;
- Medi-Cal Medical Education Supplemental Payment Fund;
- Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Fund; and
- Small and Rural Hospital Supplemental Payment Fund.

Monies in these supplemental funds were federal funds with the non-federal share coming from intergovernmental transfers from public agencies.

The Act created the Private Hospital Supplemental Fund (Fund) consisting of federal funds with the non-federal share primarily coming from the State General Fund. The Act was extended until October 31, 2015, under the successor demonstration project entitled "California's Bridge to Reform". Private hospitals that meet the eligibility criteria during the current 2011-12 state fiscal year for the above listed funds are eligible to negotiate with CMAC for distributions from the Fund. (Welf. & Inst. Code §14166.12) This letter is to inform you that CMAC is initiating the first round (Round 7A) of supplemental payment negotiations for state fiscal year (FY) 2011-12.

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One of the conditions for participation in the distribution from the FY 2011-12 Fund is being a FY 2011-12 Disproportionate Share Hospital (DSH). However, because neither the FY 2011-12 tentative nor Final DSH Eligibility List is yet available from the Department of Health Care Services, and because CMAC wants to begin Round 7A negotiations, CMAC is using the FY 2010-11 Final DSH Eligibility List to initiate preliminary negotiations with hospitals. Based on our records, your hospital may meet supplemental payment eligibility criteria to engage in preliminary negotiations for distributions from the Fund. Entering into preliminary negotiations does not ensure that your hospital will be eligible for Fund payments. Negotiations will not be finalized until the 2011-12 tentative DSH list is released. If you anticipate that your hospital will not appear on the FY 2011-12 Final DSH Eligibility List, will not be an FY 2011-12 SPCP hospital, will not maintain an emergency room licensed and operating at a comprehensive or basic level during FY 2011-12, or will not meet or maintain any of the other criteria for eligibility in Welfare and Institutions Code section 14085.6, 14085.7, 14085.8 or 14085.9, please contact CMAC immediately.

Attached is CMAC's schedule for Round 7A negotiations. This letter and the enclosed forms and schedules are available on our website ([www.cmac.ca.gov](http://www.cmac.ca.gov)). If you choose to participate in Round 7A, a written proposal that meets the requirements specified below must be submitted by 5:00 PM on August 22, 2011, to CMAC.

In order for a hospital to qualify for distributions from the Fund, the hospital must "be able to demonstrate a purpose for additional funding under the SPCP including proposals relating to emergency services and other health care services, including infrequent yet high-cost services, such as anti-AB human antitoxin treatment for infant botulism (human botulinum immune globulin (HBIG), commonly referred to as "Baby-BIG"), that are made available or will be made available to Medi-Cal beneficiaries." (Welf. & Inst. Code §14085.6(g)(4).) Therefore, your proposal must demonstrate your hospital's needs. **Written proposals** relating to Round 7 negotiations must be received by CMAC by 5:00 PM on August 22, 2011. Please limit your written proposal to no more than 5 pages.

In addition to the proposal, hospitals are required to submit the attached "Intent to Participate" form. Finally, in order to commence negotiations for a distribution from the Fund, you must also provide the certifications and declarations required by Section 100531 of Title 22 of the California Code of Regulations. Suggested language for a Certifications and Declarations document is enclosed for your reference or, if you prefer, for your signature.

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CMAC is willing to accept and encourages hospitals to transmit electronic submissions of Round 7 proposals. The proposals, with the applicable forms, can be sent to **contact@cmac.ca.gov**. We will acknowledge receipt of your submission within the next business day.

Please note that the Certifications and Declarations document requires a signature. This can be accomplished by use of an electronic signature or by signing the document and then scanning it prior to transmitting the complete package via e-mail.

CMAC has revised its business practices and now electronically transmits for signature all contracts and amendments. When approved by the Commission, the supplemental amendment will be transmitted to the hospital for signature in this fashion. Please provide on the attached "Intent to Participate" form an e-mail address where the amendment is to be sent. While CMAC will accept an electronic or scanned signature for the Certifications and Declarations document, we must have an original signature for the amendment.

We look forward to negotiating with eligible hospitals during Round 7A. If you have any questions regarding these matters, please do not hesitate to contact your CMAC negotiator, <<negotiator>>.

Sincerely,

Keith Berger  
Executive Director

KB/gr  
Attachments

# Intent to Participate Private Hospital Supplemental Program SFY 2011-12 Round 7A

<b>Hospital Legal Name</b>	
<b>Contact Person*</b> For negotiations	
<b>Title</b>	
<b>Mailing Address</b>	
<b>Telephone #</b>	
<b>Fax #</b>	
<b>E-mail Address**</b>	
<b>Person Authorized to Sign Contract</b>	
<b>Mailing Address</b> (or indicate if same as above)	
<b>Emergency Room Status</b> (circle one)	standby / basic / comprehensive / closed / other (explain)

\*Contact person must have the authority to contractually bind the hospital to the negotiated terms.

\*\* An e-mail address is required; the supplemental amendment will be transmitted electronically after Commission approval.

	Yes	No
<b>Copy of License attached?</b>		
<b>Do you anticipate a change to your hospital's legal name or has the hospital's legal name been changed?*</b>		
<b>Do you anticipate a change in your hospital's ownership and/or operator, or has the hospital's ownership and/or operator changed?*</b>		

\*If yes, please provide all relevant information to your CMAC negotiator.

Please return this form with the Proposal by August 22, 2011 to:

California Medical Assistance Commission  
770 L Street, Suite 1000  
Sacramento, CA 95814  
(916) 324-5597 fax  
**contact@cmac.ca.gov**

# **CMAC SCHEDULE \* FOR THE PRIVATE HOSPITAL SUPPLEMENTAL FUND PROGRAM**

## **SFY 2011-12 Round 7A**

July 25	CMAC to send out supplemental payment program announcement packets
August 22	Intent to Participate, Certifications and Declarations and the hospital's Proposal due to CMAC by 5:00 PM (Please limit your proposal to five pages.)
August 23 - September 7	Staff negotiations with eligible hospitals
August 25	Preliminary CMAC staff report to Commissioners
September 22	CMAC Commission meeting to include actions for supplemental payment program hospital amendments

\* subject to change

**PROCEDURE IN FURTHERANCE OF FAIR COMPETITION  
IN CONTRACT NEGOTIATIONS**

I warrant that I have authority to represent and engage in Medi-Cal Selective Provider Contracting Program ("SPCP") negotiations on behalf of \_\_\_\_\_, its employees, directors, officers, partners, agents, representatives, consultants, contractors, physicians, or other related individuals who have a need to know its SPCP negotiations (collectively referred to as "Hospital").

In accordance with California Code of Regulations, title 22, section 100531, subdivision (a)(1), I certify that no individual participating in the SPCP negotiations on behalf of the Hospital is also representing, providing consultation to, negotiating on behalf of, or otherwise participating in SPCP negotiations for any competing hospital, as defined in California Code of Regulations, title 22, section 100531, subdivision (b)(1).

I declare under penalty of perjury that neither the Hospital nor I will collaborate, discuss, disclose, publish, utilize, exploit, distribute, or use or cause to be used for any other purpose, the SPCP negotiation information or any related information, whether oral or written, that is developed or received by the State, the Hospital, or me, except with any Hospital related individual who is bound by this declaration and participating in the SPCP negotiations on behalf of the Hospital. (Cal. Code Regs., tit. 22, § 100531, subd. (a)(2).

I warrant that I have full and binding authority to make the declarations and certifications contained herein on behalf of the Hospital. This declaration is made under the penalty of perjury.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
TITLE